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March 5, 1996

DEPARTMENT OF LIVESTOCK



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STATE OF MONTANA

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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA

STATE DOCUMENTS COLLECTION

ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

MAR 05 1996

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PUBLISHED: ~~February~~ ^{March} 5, 1996

EFFECTIVE: April 1, 1996
12:01 a.m.

Due to the latest data available as of March 5, 1996, as applied to the Producer Formula the Producer Formula Index has been calculated to be 272.78. (Docket #59-84, first price announcement effective 7/01/84)

MINIMUM PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 8.86.301(3)

EFFECTIVE APRIL 1, 1996, the minimum price to be paid milk producers, under ARM 8.86.301, will be \$15.74 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of eight cents for each one-tenth of one percent butterfat above or below the midpoint to each producer payment. The value of one pound of butterfat utilized will be ninety cents (\$.80).

MINIMUM PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 8.86.301(4)

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CLASS II PRICE FOR MILK TESTING 3.5%

\$10.90 /CWT

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Average spray process dry milk solids

price per pound = \$1.11750
Multiplied by 8.2 x 8.2

\$9.16350

\$9.16350

PLUS +

Average Grade 'A' 92 score butter

price per pound = \$0.65500
Multiplied by 4.2 x 4.2

\$2.75100

+ \$2.75100

LESS 8.5% (\$11.91450 X .085)

\$11.91450

- \$1.01273

\$10.90177

Rounded to the nearest whole cent = \$10.90/hundredweight.

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CLASS II BUTTERFAT PRICE PER POUND \$0.75 /LB

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Butterfat differential	(\$0.65500	X	.111)	=	\$0.07271
Rounded to the nearest half cent	=						\$0.075

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CLASS II VALUE OF ONE POUND OF SKIM \$0.08575 /LB

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Butterfat value per pound	=	\$0.75
for milk at 3.5% test:		

Hundredweight price of milk testing 3.5%	=	\$10.90
LESS 3.5 pounds of butterfat at	\$0.75 per pound	- \$2.625

Value of 96.5 pounds of skim	=	\$8.275
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Value of one pound of skim	(8.275 ÷ 96.5 pounds) =	\$0.08575 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 8.86.301(5)

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CLASS III BUTTERFAT PRICE PER POUND \$0.59 /LB

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Avg. Grade 'A' 92 score butter price/LB	\$0.65500
LESS 10%	- \$0.06550

	\$0.58950

Rounded to the nearest whole cent	=	\$0.59 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED \$7.61 /CWT

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Avg. spray process dry milk solid price/LB	\$1.11750
Multiplied by 8.2	x 8.2

	\$9.16350
	\$1.55780

	\$7.60570

Rounded to the nearest whole cent	=	\$7.61 per hundredweight.
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CLASS III PRICE PER CWT FOR MILK TESTING 3.5% \$9.40 /CWT

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3.5 pounds of butterfat	x	\$0.59 per pound =	\$2.065
96.5 pounds of skim	x	\$0.07606 per pound =	\$7.340

			\$9.405 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Marilyn M. Koontz
Marilyn M. Koontz, Admin. Assistant
Montana Milk Control Bureau

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BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

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CLASS I SKIM PRICE BASED ON			CLASS II SKIM PRICE BASED ON			CLASS III SKIM PRICE BASED ON		
\$15.74 FOR 3.5% MILK			\$10.90 FOR 3.5% MILK			\$9.40 FOR 3.5% MILK		
96.5 LBS.	=	\$12.765	96.5 LBS.	=	\$8.800	96.5 LBS.	=	\$7.787
TEST	PRICE/LB		TEST	PRICE/LB		TEST	PRICE/LB	
2.50	\$0.13092		2.50	\$0.09026		2.50	\$0.07987	
2.55	\$0.13099		2.55	\$0.09030		2.55	\$0.07991	
2.60	\$0.13106		2.60	\$0.09035		2.60	\$0.07995	
2.65	\$0.13112		2.65	\$0.09040		2.65	\$0.07999	
2.70	\$0.13119		2.70	\$0.09044		2.70	\$0.08003	
2.75	\$0.13126		2.75	\$0.09049		2.75	\$0.08007	
2.80	\$0.13133		2.80	\$0.09053		2.80	\$0.08011	
2.85	\$0.13139		2.85	\$0.09058		2.85	\$0.08015	
2.90	\$0.13146		2.90	\$0.09063		2.90	\$0.08020	
2.95	\$0.13153		2.95	\$0.09067		2.95	\$0.08024	
3.00	\$0.13160		3.00	\$0.09072		3.00	\$0.08028	
3.05	\$0.13167		3.05	\$0.09077		3.05	\$0.08032	
3.10	\$0.13173		3.10	\$0.09082		3.10	\$0.08036	
3.15	\$0.13180		3.15	\$0.09086		3.15	\$0.08040	
3.20	\$0.13187		3.20	\$0.09091		3.20	\$0.08044	
3.25	\$0.13194		3.25	\$0.09096		3.25	\$0.08049	
3.30	\$0.13201		3.30	\$0.09100		3.30	\$0.08053	
3.35	\$0.13207		3.35	\$0.09105		3.35	\$0.08057	
3.40	\$0.13214		3.40	\$0.09110		3.40	\$0.08061	
3.45	\$0.13221		3.45	\$0.09114		3.45	\$0.08065	
3.50	\$0.13228		3.50	\$0.09119		3.50	\$0.08069	
3.55	\$0.13235		3.55	\$0.09124		3.55	\$0.08074	
3.60	\$0.13242		3.60	\$0.09129		3.60	\$0.08078	
3.65	\$0.13249		3.65	\$0.09133		3.65	\$0.08082	
3.70	\$0.13255		3.70	\$0.09138		3.70	\$0.08086	
3.75	\$0.13262		3.75	\$0.09143		3.75	\$0.08090	
3.80	\$0.13269		3.80	\$0.09148		3.80	\$0.08095	
3.85	\$0.13276		3.85	\$0.09152		3.85	\$0.08099	
3.90	\$0.13283		3.90	\$0.09157		3.90	\$0.08103	
3.95	\$0.13290		3.95	\$0.09162		3.95	\$0.08107	
4.00	\$0.13297		4.00	\$0.09167		4.00	\$0.08111	
4.05	\$0.13304		4.05	\$0.09171		4.05	\$0.08116	
4.10	\$0.13311		4.10	\$0.09176		4.10	\$0.08120	
4.15	\$0.13318		4.15	\$0.09181		4.15	\$0.08124	
4.20	\$0.13325		4.20	\$0.09186		4.20	\$0.08128	
4.25	\$0.13332		4.25	\$0.09191		4.25	\$0.08133	
4.30	\$0.13339		4.30	\$0.09195		4.30	\$0.08137	
4.35	\$0.13346		4.35	\$0.09200		4.35	\$0.08141	
4.40	\$0.13353		4.40	\$0.09205		4.40	\$0.08145	
4.45	\$0.13359		4.45	\$0.09210		4.45	\$0.08150	
4.50	\$0.13366		4.50	\$0.09215		4.50	\$0.08154	

